

**ATTACHMENT 1**

**Responses to Questions 9, 11-13, and 15  
on the IFS International Section 214 Application**

**Information Required by 47 C.F.R. § 63.18:**

(d) Communication Technology, Inc. (“Applicant”) has not previously received authority under Section 214 of the Communications Act of 1934, as amended (the “Act”). However, the Applicant is affiliated with several entities which have received Section 214 authorizations, most recently, Telefonica Data USA, Inc. (FCC File No. ITC-214-200000602-0036).

(e) The Applicant is herein requesting authority under Section 214 to provide facilities-based international services and to resell the international services of common carriers authorized by the Commission, including international private lines interconnected with the public switched network to the extent permitted by the Commission’s rules, for the provision of international basic switched, private line, data, television, and business services to all international points pursuant to Sections 63.16, 63.18(e)(1) and (2), 63.21, and 63.23 of the Commission’s rules (47 C.F.R. §§63.16, 63.18(e)(1), 63.18(e)(2), 63.21, and 63.23), as well as any and all other rules and regulations of the Commission applicable thereto. The Applicant hereby certifies that it will comply with the terms and conditions contained in Sections 63.21, 63.22, and 63.23 of the Commission’s rules (47 C.F.R. §§ 63.21-23).

(f) At this time, the Applicant seeks no other authority available under Section 63.18(e) of the Commission's rules (47 C.F.R. §63.18(e)).

(g) The Applicant is seeking facilities-based and resale authority under Section 63.18(e) of the Commission's rules (47 C.F.R. §63.18(e)) to provide international services to all international points. The grant of this application will not constitute an action that has a significant environmental effect as defined in Section 1.1307 of the Commission's rules (47 C.F.R. §1.1307). Accordingly, this action is categorically excluded from environmental processing under Section 1.1306 of the Commission's rules (47 C.F.R. §1.1306) and the environmental assessment in Section 1.1311 of the Commission's rules (47 C.F.R. §1.1311) need not be submitted with this application.

(h) The information requested by Section 63.18(h) of the Commission's rules (47 C.F.R. §63.18(h)) is provided in Attachment 2 to this application pursuant to Question 14 of the International Bureau's electronic application.

(i) The Applicant certifies that it is not a foreign carrier but is affiliated with foreign carriers in Argentina, Austria, Brazil, Canada, Chile, Colombia, Cuba, El Salvador, Guatemala, Italy, Mexico, Morocco, Peru, Spain, Uruguay and Venezuela.

(j) The Applicant certifies that it does not seek to provide service to any country in which (1) the Applicant is a foreign carrier; or (2) the Applicant controls a foreign carrier; or (3) two or more foreign carriers (or parties that control foreign carriers) together own more than 25 percent of the Applicant and are parties to, or beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States. The Applicant also certifies that it is a wholly owned subsidiary of Telefónica Internacional, S.A. ("TISA") which, in turn is a wholly owned subsidiary of Telefonica, S.A. ("Telefónica"), which

directly or indirectly controls foreign carriers or holds a 25 percent or greater interest in foreign carriers in the following destination countries to which the Applicant seeks to provide international telecommunications services:

In Argentina, TISA owns 32.13 percent of Telefónica Argentina S.A. (“TASA”), which provides local, long-distance and international telephone services in Argentina. TI Holding, B.V. (“TI Holding”), itself a wholly owned subsidiary of TISA, owns 37.33 percent of COINTEL. TISA owns 80 percent of Telefonica Holding Argentina S.A. which, in turn owns 50 percent of COINTEL. COINTEL owns approximately 54.5 percent of TASA. TISA manages TASA pursuant to a management agreement. Telefonica, through its wholly-owned subsidiary Telefónica DataCorp. S.A. (“Telefonica DataCorp.”), has a 99.9 percent ownership interest in Telefonica Data Argentina, S.A. which provides data services in Argentina. Also, Telefonica, through its wholly-owned subsidiary, Telefonica Moviles, S.A., owns 97.93 percent of Telefonica Comunicaciones Moviles, S.A. which provides wireless services in Argentina.

In Austria, Telefónica, through Telefónica DataCorp. and Telefonica Data Holding, S.L. (“Telefonica Data Holding”), a wholly-owned subsidiary of Telefonica Datacorp, has a 100 percent interest in European Telecom International GmbH (“European Telecom”), the third largest carrier in Austria. European Telecom is authorized to provide local, long distance and international services throughout Austria.

In Brazil, Telefonica, through Telefonica Moviles, S.A., holds a controlling interest in the following three local wireless carriers (1) Telerj Celular S.A. (Rio de Janeiro); (2) Telet Celular S.A. (Spirito Santo); and (3) Celular CRT S.A. (previously a part of the local wireline carrier, Companhia Riograndense de Telecomunicações S.A.). TISA also holds a 63.10 percent interest in Telecomunicacoes de Sao Paulo, S.A. (“TELESP”), which provides local and

domestic long distance services. TISA also owns an indirect 21 percent ownership interest in TELESP through its 96.52% ownership interest in S.P. Participacoes Holding and its 100 percent ownership interest in Tele Ibero Americana. Telefónica, through Telefónica DataCorp, and Telefonica Data Holding, owns 99.9 percent of Telefónica Data Do Brasil Ltda. which provides data services in Brazil.

In Canada, Telefónica, through Telefónica DataCorp. owns 100 percent of Telefónica Data Canada, Inc. which provides data services in Canada.

In Chile, TI Holding owns 43.64 percent of Compañía Telécomunicaciones de Chile (“CTC”) through TI Holding’s 100 percent ownership of Telefónica Chile Holding B.V. (which owns 100 percent of CTC’s immediate parent, Telefónica Internacional de Chile, S.A.). CTC owns 99.16 percent of Compañía Teléfonos de Chile Mundo, a long distance service provider, and 100 percent of Compañía Teléfonos de Chile Comunicaciones Móviles, a wireless telecommunications company. CTC provides local exchange and international services, and through its subsidiaries, CTC provides long distance and wireless services.

In Colombia, Telefonica, through Telefónica DataCorp and Telefonica Data Holding, has a 50 percent interest in Rey Moreno, S.A. and a 50.1 percent interest in Telefónica Data Colombia, S.A. Both of these Colombian companies provide data services.

In Cuba, Telefonica, through Telefonica DataCorp, owns 90 percent of Telefonica Data Caribe, S.A. which owns 50 percent of Telefonica Data Cuba, S.A. which provides data services in Cuba.

In El Salvador, Telefonica, through Telefonica Moviles, S.A., holds an 86.7 percent interest in Telefónica El Salvador S.A. de C.V., a provider of long distance and wireless services in El Salvador. Telefonica Moviles, S.A. holds this interest through its 51 percent

interest in TES Holding, S.A. de C.V., the holder of 86.7 percent of Telefónica El Salvador's shares.

In Guatemala, Telefonica, through Telefonica Moviles, S.A., holds a controlling 51 percent interest, through TCG Holdings S.A., in (1) Tele Escucha S.A., which provide paging services in Guatemala; and (2) Telefónica CentroAmerica Guatemala S.A., which provides long distance and wireless services in Guatemala.

In Italy, Telefónica, through Telefónica DataCorp. has a 34 percent interest in Atlant S.p.A., which provides competitive local services in Italy.

In Mexico, Telefónica, through Telefónica DataCorp. and Telefonica Data Holding, owns 38.76 percent of Telefónica Data México, S.A. De C.V., which provides data services in Mexico. Telefónica, through Telefónica DataCorp. and its 94.9% ownership of Telefonica Data Holding Mexico, S.A. de C.V., owns an additional 52.04 percent of Telefónica Data México, S.A. De C.V. Telefonica, through Telefonica Moviles, owns 100 percent or otherwise controlling interests of BAJACEL, MOVITEL, NORCEL and CEDETEL, each of which, directly or indirectly, is a provider of wireless services in Mexico.

In Morocco, Telefónica, through Telefónica InterContinental, has a 30.5 percent interest in Medi Telecom, S.A. ("Medi"). Medi provides wireless services throughout Morocco. Telefonica, through Telefonica DataCorp., owns 59.86 percent of Telefonica Data Atlas, S.A. which provides data services in Morocco.

In Peru, TISA owns 40.49% of Telefónica del Perú, S.A.A. ("TDP"), a provider of local, long distance and international services in Peru. TISA (through its 90 percent ownership interest in Telefónica Peru Holding, S.A.) owns an additional approximately 38.9 percent of TDP. Telefónica Peru Holding, S.A. controls a majority of the TDP Board and TISA has a management

contract to operate TDP. Telefonica, through Telefonica DataCorp., owns 100 percent of Telefonica Data Peru, S.A.A. which provides data services in Peru. Telefonica, through Telefonica Moviles, S.A. indirectly owns 99.9 percent of Telefonica Moviles, S.A.C. which provides wireless services in Peru.

In Spain, Telefónica and its subsidiaries are dominant providers of domestic and international telecommunications services throughout Spain.

In Uruguay, Telefónica, through Telefónica DataCorp., owns 100 percent of Telefónica Data Uruguay, S.A., which provides data services in Uruguay.

In Venezuela, Telefónica, through Telefónica DataCorp. and Telefonica Data Holding, owns 99.9 percent of Telefónica Datos De Venezuela, which provides data services in Venezuela.

(k) The Applicant certifies that it is affiliated with foreign carriers in Argentina, Austria, Brazil, Canada, Chile, Colombia, Cuba, El Salvador, Guatemala, Italy, Mexico, Morocco, Peru, Spain, Uruguay and Venezuela. All of these destination countries are members of the World Trade Organization (“WTO”).

(l) Applicant will file the requisite quarterly traffic reports for all routes on which it is regulated as dominant, i.e., Argentina, Chile, Peru, and Spain, as required by Section 43.61(c) of the Commission’s rules, 47 C.F.R. §43.61(c).

(m) The Applicant agrees to be classified as a dominant carrier between the United States and Argentina, Chile, Peru, and Spain, where the Applicant is affiliated with dominant foreign carriers. The settlement rate for termination of traffic in Chile and Peru is at or below the benchmark settlement rate adopted for those countries in IB Docket No. 96-261. Applicant will comply with the requirements set forth in Section 63.10(c) with regard to its provision of traffic

on those routes. The Applicant is entitled to non-dominant classification on all other routes. The Applicant's affiliates in Austria, Brazil, Canada, Colombia, Cuba, El Salvador, Guatemala, Italy, Mexico, Morocco, Uruguay and Venezuela are cellular and/or competitive carriers controlling far less than 50 percent of their relevant international transport and local markets. The Applicant, therefore, qualifies for a presumption of non-dominance on these routes under Section 63.10(a)(3) of the Commission's rules (47 C.F.R. §63.10(a)(3)). The Applicant is not affiliated with foreign carriers in any other countries, and thus qualifies for a presumption of non-dominance on all other international routes.

(n) The Applicant certifies that it has not agreed and will not agree in the future to accept any direct or indirect special concessions from any foreign carrier with respect to any United States international route where any such foreign carrier possesses market power on the foreign end of the route.

(o) The Applicant certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's rules (47 C.F.R. §§ 1.2001-1.2003), that no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988 (21 U.S.C. § 853a).

(p) This Application qualifies for streamlined processing. While the Applicant is affiliated with dominant foreign carriers in Argentina, Chile, Peru, and Spain, the Applicant agrees to be classified as a dominant carrier on these routes. Argentina, Chile, Peru, and Spain are all members of the WTO. The Applicant is also affiliated with foreign carriers in Austria, Brazil, Canada, Colombia, Cuba, El Salvador, Guatemala, Italy, Mexico, Morocco, Uruguay and Venezuela. Each of these cellular and/or competitive carriers control far less than 50 percent of the relevant international transport and local markets. The Applicant, therefore, qualifies for a

presumption of non-dominance on these affiliated routes. The Applicant is not affiliated with foreign carriers in any other country, and thus qualifies for a presumption of non-dominance on all other international routes.

(q) With specific regard to Applicant's request for authorization to use international simple resale ("ISR") on U.S./Argentina, U.S./Chile and U.S./Peru routes, Applicant hereby certifies that (i) Argentina, Chile and Peru are all members of the WTO; (ii) Argentina is currently listed on the Commission's list of countries for which ISR is already authorized; and (iii) the settlement rate for termination of traffic in Chile and Peru is below the benchmark settlement rate adopted for those countries in IB Docket No. 96-261 and that, therefore, settlement rates for at least fifty percent (50%) of the settled U.S.-billed traffic between the United States and Chile and between the United States and Peru are at or below the benchmark settlement rates adopted for those countries in IB Docket No. 96-261. As a result, Applicant requests that the Commission declare that it can use ISR to carry traffic on those routes and that Chile and Peru be included on the list of countries authorized for ISR.